

MassHire Department of Career Services Rapid Response Employer Information

Revised 4/30/2020 3:30pm



DEPARTMENT OF
CAREER SERVICES

RapidResponse

Quick Guide to Resources

- **Rapid Response** is a federally mandated program designed to assist businesses and employees experiencing a layoff or closing with regional teams throughout The Commonwealth **(p.4)**
- **MassHire Career Centers** with statewide locations, the MassHire Career Centers offer a wide array of services for both business and employees **(p.8)**
- The **WorkShare Program** is a resource for layoff aversion, allowing an employer to reduce employee's work hours. A great alternative to laying off employees **(p.11)**
- **Families First Act** provides new federal resources for Paid Sick Leave and Expanded Family and Medical Leave to enable use of paid leave benefits to avoid layoffs **(p.12)**
- **Worker Adjustment and Retraining Notification Act (WARN)** Federal layoff requirements - exception: a business that could not reasonably foresee circumstances leading to an event; also temporary layoff status **(p.14)**
- **Unemployment Insurance** includes 1) the waived waiting week, 2) the requirement for continued contact with employer about return date, 3) The CARES Act provisions **(p.17)**
- The **Health Connector** - If you need insurance, you may qualify for coverage through the Health Connector if you've lost coverage from a job **(p.19)**
- **Business Loans** available **(p.20)**:
 - Small Business Association has Express Bridge Loans, Economic Injury Disaster Loans, The Paycheck Protection Program, and Debt Relief
- **Massachusetts Administrative Tax Relief Measures** include postponing the collection of regular sales tax, meals tax, and room occupancy tax until June 20th, 2020 **(p.26)**
- **Additional Emergency Resources** include: MEMA, U.S. Chamber of Commerce, MassMEP, and M-ERT **(p.27)**
- Listed within the **Appendix**: Massachusetts Small Business Development Center regional locations, Small Business Association FAQ's, and FFCRA information **(p.32)**

Options for Businesses Experiencing a Downturn

- **Furloughs**

- Your business is experiencing temporary layoffs.

- **Layoffs**

- Your business experiences a permanent layoff situation.

- **WorkShare**

- Your business needs to reduce work hours of your employees.

What is MassHire Department of Career Services Rapid Response?

RapidResponse

- Rapid Response is a federally mandated program through the Workforce Innovation Opportunities Act (WIOA) designed to assist businesses and employees experiencing a layoff or closing.
- The MassHire Rapid Response Team is a business service of the MassHire Department of Career Services.
- Before your employees are separated from your company, the MassHire Rapid Response Team will provide them with options prior to a layoff and refer them to a MassHire Career Center of their choice.

For Assistance with Rapid Response Services

Quick Links and Contacts

[Mass.gov/Rapid-Response](https://www.mass.gov/Rapid-Response)

(800) 252-1591

[Mass.gov/dua/WorkShare](https://www.mass.gov/dua/WorkShare)

(617) 626-6877

[Mass.gov/unemployment-insurance-ui-for-employers](https://www.mass.gov/unemployment-insurance-ui-for-employers)

(617) 626-5075

**Certificate of Good Standing is
required for the WorkShare program*

Statewide Office

Ken Messina

Business Services Manager/Rapid Response

Hurley Building

19 Staniford Street, 1st Floor

Boston, MA 02114

(617) 626-5703 Office

ken.messina@detma.org

Boston/Metro North Region

Chuck Bennett

Rapid Response Coordinator II

MassHire Metro North Career Center

186 Alewife Brook Parkway

Cambridge, MA 02138

(617) 620-4695

charles.bennett@detma.org

For Assistance with Rapid Response Services

Central Region

Sandra Foley

Rapid Response Coordinator II
MassHire North Central Career Center
100 Erdman Way,
Leominster, MA 01453
(617) 438-7894
sandra.foley@detma.org

Northeast Region

Norca Disla-Shannon, M.Ed.

Rapid Response Coordinator II
MassHire Merrimack Valley Career Center
255 Essex Street,
Lawrence, MA 01840
(978) 722-7013
norca.disla-shannon@detma.org

Southeast Region

Helder Teixeira

Rapid Response Coordinator II
MassHire Taunton Career Center
72 School Street,
Taunton, MA 02301
(508) 977-1421
helder.teixeira@detma.org

Western Region

Carol Snyder

Rapid Response Coordinator II
MassHire Springfield Career Center
95 Liberty Street,
Springfield, MA 01103
(617) 438-7896
carol.snyder@detma.org

What to Expect Working with Rapid Response

While you may not be able to change the business conditions that make layoffs necessary, calling the MassHire Department of Career Services (MDCS) Rapid Response Team can reduce the cost of layoffs for you and your employees.

In working with Rapid Response, you can expect:

- A quick response to your transition planning needs
- Confidentiality
- Information about alternatives that may reduce or avoid the layoff, or possible future layoffs
- Pre-layoff services designed to help workers shorten their transition time
- Information on MassHire Career Centers and Unemployment Insurance
- Assistance in maintaining worker morale and productivity during the transition
- Assistance in preparing affected workers to find new employment
- Coordination with AFL-CIO Rapid Response Team members for union employees

MassHire Career Centers



- The Rapid Response team assists companies with the support of the the MassHire Career Center regionally.
- MassHire Career Center Business Service Representatives are ready to help and coordinate with the Rapid Response Team.
- Give the Career Center a call or visit their website:
mass.gov/masshire-career-centers/locations

Find a MassHire Career Center Near You

Greater Boston

MassHire Boston Career Center

1010 Harrison Avenue
Boston, MA 02119
(617) 541-1400, TTY#: (617) 442-3610

MassHire Downtown Boston Career Center

75 Federal Street, 3rd Floor
Boston, MA 02110
(617) 399-3100, 800-436-WORK (9675)

MassHire Metro North Career Centers

186 Alewife Brook Parkway, Suite 310
Cambridge, MA 02138
(617) 661-7867, (888) 454-9675
TTY#: (800) 439-2370

(affiliated limited services)*

4 Gerrish Avenue
Chelsea, MA 02150
(617) 884-4333

100 TradeCenter
Suite G-100
Woburn, MA 01801
(781) 932-5500, (888) 273-WORK

MassHire Framingham Career Center

1671 Worcester Road
Framingham, MA 01701
(508) 861-7993

MassHire Norwood Career Center

32 Day Street
Norwood, MA 02062
(781) 269-5494

Northeastern Massachusetts

MassHire Merrimack Valley Career Centers

Haverhill Opportunity Works
(HOW Building)
671 Kenoza Street,
Haverhill, MA 01830
(978) 241-4730

255 Essex Street
Lawrence, MA 01840
(978) 722-7000

MassHire Lowell Career Center

107 Merrimack Street
Lowell, MA 01852
(978) 458-2503, TTY#: (978) 805-4915

MassHire North Shore Career Centers

70 Washington Street
Salem, Massachusetts 01970
(978) 825-7200

(affiliated limited services)*

5 Pleasant Street
Gloucester, MA 01930
(978) 283-4772

(affiliated limited services)*

North Shore Community College
300 Broad Street, LE-102
Lynn, MA 01901
(781) 691-7450

MassHire North Shore Youth Career Center**

117 Franklin Street
Lynn, MA 01902
(781) 691-7430

Southeastern Massachusetts

MassHire Attleboro Career Center

95 Pine Street
Attleboro, MA 02703
(508) 222-1950

MassHire Cape & Islands Career Center

372 North Street
Hyannis, MA 02601
(508) 771-JOBS (5627),
TTY#: (508) 862-6102

MassHire Greater Brockton Career Center

34 School Street,
Brockton, MA 02301
(508) 513-3400

MassHire Greater Brockton YouthWorks**

34 School Street, lower level
Brockton, MA 02301
(508) 584-9800

MassHire Fall River Career Center

446 North Main Street
Fall River, MA 02720
(508) 730-5000

MassHire Youth Connections**

139 South Main Street
Fall River, MA 02720
(508) 675-9245

MassHire Greater New Bedford Career Center

618 Acushnet Avenue
New Bedford, MA 02740
(508) 990-4000

MassHire Taunton Career Center

72 School Street
Taunton, MA 02780
(508) 977-1400

MassHire South Shore Career Centers

36 Cordage Park Circle, Suite 214B
Plymouth, MA 02360
(617) 376-5170

1515 Hancock Street

Quincy, MA 02169
(617) 745-4000

Central Massachusetts

MassHire North Central Career Center

100 Erdman Way
Leominster, MA 01453
(978) 534-1481, TTY#: (978) 534-1657

MassHire Southbridge Career Center

5 Optical Drive, Suite 200
Southbridge, MA 01550
(508) 765-6430, TTY#: (508) 765-6437

MassHire Worcester Career Center

340 Main Street, Suite 400
Worcester, MA 01608
(508) 799-1600

Western Massachusetts

MassHire Franklin Hampshire Career Centers

One Arch Place
Greenfield, MA 01301
(413) 774-4361, TTY#: 413-772-2174

(Affiliated limited services)*

20 West Street
Northampton, MA 01060
(413) 774-4361

MassHire Holyoke Career Center

850 High Street
Holyoke, MA 01040
(413) 532-4900, TTY#: (413) 535-3098

MassHire Berkshire Career Center

160 North Street
Pittsfield, MA 01201
(413) 499-2220, TTY#: (413) 499-7306

MassHire Springfield Career Center

95 Liberty Street, Third Floor
Springfield, MA 01103
(413) 858-2800, TTY#: (413) 858-2800

Layoff Aversion Services

Department of Unemployment Assistance WorkShare Program

- If your company needs to reduce payroll costs because of a temporary decline in business, the WorkShare program is your alternative to layoffs.
- WorkShare allows an employer to reduce the work hours of employees in an entire company or individual units/departments.
- The employees receive unemployment benefits to supplement their reduced wages.
- Visit mass.gov/workshare-for-employers or call (617) 626-6877 for more information.

Additional Resources for Business and Employees

- New federal resources in the Families First Act on Paid Sick Leave and expanded Family and Medical Leave enabling use of paid leave and avoiding layoffs.

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

- USDOL just released FAQs and Fact Sheets on sick/paid family leave.

<https://www.wwlp.com/news/health/coronavirus-local-impact/u-s-department-of-labor-release-info-on-paid-sick-leave-expanded-family-and-medical-leave/>

Layoffs

Worker Adjustment and Retraining Notification Act (WARN)

The **Worker Adjustment and Retraining Notification Act (WARN)** requires employers give full- and part-time workers written notice 60 calendar days prior to a layoff or company closing.

WARN gives workers adequate time to seek new jobs or enter training programs for new skills before losing their current jobs.

Who is Covered Under WARN?

- Private for-profit businesses, private non-profit organizations or public and quasi-public entities separately organized from the regular government that employ at least 100 full time salaried or hourly workers must give notice of covered company closings or mass layoffs.
- A covered company closing occurs when an employer lays off or terminates at least 50 workers at a company called a single site of employment or at a facility or operation within the plant.
- An employer must give notice if there is to be a mass layoff which does not result from a company closing, but which will result in an employment loss at the work site during any 30-day period for 500 or more employees, or for 50-499 employees if they make up at least 33% of the employer's active workforce.

Exceptions to WARN Notification

Businesses are not required to submit a WARN notification if:

- They are actively seeking capital, or would save or postpone the need to shut down or lay off people, and believe that advance notice may hurt their ability to find such resources.
- **A business that could not reasonably foresee circumstances leading to the event.**
- Layoffs and closings that are the result of a natural disaster.
- Visit <https://www.doleta.gov/layoff/warn/> for more information.

COVID-19 Unemployment Insurance Benefits

The Executive Office of Labor and Workforce Development (EOLWD) and the Department of Unemployment Assistance (DUA) made changes to unemployment eligibility to assist workers and employers related to COVID-19.

- **DUA may pay unemployment benefits if a worker is:**
 - **Quarantined** due to an order by a civil authority or medical professional, or leaves employment due to reasonable risk of exposure or infection or to care for a family member
 - **Impacted because their workplace is shut down** due to COVID-19
- DUA can **excuse missed deadlines** during the processing of a claim, such as responding to fact-finding questionnaires and requesting an appeal, if the reason for failing to meet the deadline is due to COVID-19.
- DUA can **grant employer requests for extensions** for filing quarterly wage reports and paying contributions.

General UI Resources: mass.gov/unemployment/covid-19

- Employer FAQs: mass.gov/info-details/employer-unemployment-faq-covid-19
- Employee FAQ: mass.gov/info-details/employee-unemployment-faq-covid-19

"CARES Act" - Federal Coronavirus Aid

Unemployment Insurance Provisions

- **Creates a new Pandemic Unemployment Assistance program (through December 31, 2020) to help those not traditionally eligible for Unemployment Insurance (UI),** including self-employed individuals, independent contractors, those with limited work history and those who are unable to work as a result of the Coronavirus public health emergency. www.mass.gov/pua
- **Provides additional \$600/week payment** to each UI or Pandemic Unemployment Assistance recipient through the end of July 2020.
- **Provides an additional 13 weeks of unemployment benefits** to help those who remain unemployed after state unemployment benefits run out.
- **Provides states with temporary, limited flexibility to hire temporary staff,** or re-hire former staff, to more efficiently process unemployment claims.

Massachusetts Health Connector

Massachusetts Health Connector

Find affordable, high-quality health insurance if you lost coverage through your job



The Health Connector is a state agency and health insurance marketplace that makes coverage available to people who recently lost their insurance from their employer. Most people who apply through the Health Connector can get a plan for a low monthly cost, and some people even qualify for a **\$0 monthly payment**.

All Health Connector plans cover services like doctor visits, emergency care, physical therapy, and prescription drugs.

Learn more and apply

Learn more and sign up today at www.MAhealthconnector.org. When you fill out an application online, you'll find out right away if you qualify for a health plan from the Health Connector or coverage through MassHealth.

➔ If you've lost health insurance that you had through a job, make sure to apply within **60 days** of losing that coverage. However, the sooner you apply, the sooner your new health insurance can start.

Losing your employer coverage is considered a qualifying life event, which gives you a special enrollment period for enrolling through the Health Connector. Once your special enrollment period is over, you may not be able to enroll through the Health Connector again until the next Open Enrollment period.

Already have a Health Connector account?

If you've applied to the Health Connector in the past or currently have Health Connector coverage and your income has changed, please update your account with this information now. If your income is now lower, you may end up qualifying for lower-cost health insurance.

Sign into your account at www.MAhealthconnector.org to update your income or other information.

You can find detailed instructions for updating income on our website at: www.MAhealthconnector.org/update-income

Steps to enroll or change plans

1. Apply or update your account
2. Choose a plan
3. Pay your first monthly bill (if you have one)

Deadlines

April 23

Last date to enroll or change plans for May 1

May 23

Last date to enroll or change plans for June 1

➔ Tip for entering income

Enter your income as it is right now, then adjust your expected yearly income based on what you think you'll end up making over the course of the year.

If your income changes later on, please update your information again to so you are keeping it as correct as possible.

If you need health insurance, you may qualify for coverage through the Health Connector.

An extended enrollment period is available through May 25, 2020 in response to the COVID-19 outbreak.

Apply today and get covered.

For more detailed information please go to:

<https://www.mahealthconnector.org/the-right-plan-right-now>

Apply online at www.MAhealthconnector.org

Business Loans

Small Business Administration Express Bridge Loans

Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship (i.e. account or loan) with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can:

- Help overcome the temporary loss of revenue
- Work as term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan

If a small business has an urgent need for cash while waiting for a decision and disbursement on an Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

Terms:

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

Find an Express Bridge Loan Lender via [SBA's Lender Match Tool](#) or by connecting with your [local SBA District Office](#)

Accessing SBA's Economic Injury Disaster Loan (EIDL)

U.S. Small Business Administration (SBA) will offer low-interest federal disaster loans for working capital to Massachusetts small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

UPDATE: The SBA has issued guidance that it will provide initial EIDL loan disbursements of up to \$15,000, in addition to the advance of up to \$10,000.

- **Eligibility:** Small businesses, private non-profit organizations of any size, small agricultural cooperatives and small aquaculture enterprises that have been financially impacted as a direct result of the Coronavirus (COVID-19) since January 31, 2020.
- **Deadline:** Applications due by December 18, 2020.
- **Application Process:** Any interested business needs to apply directly to the SBA.

For additional information, visit the SBA disaster assistance website: [SBA.gov/Disaster](https://www.sba.gov/disaster)

The Paycheck Protection Program

*PPP Resumed April 27th, 2020

PPP is a loan program designed to provide a direct incentive for small businesses to keep workers on the payroll. Loans are up to \$10M, with a 0.5% interest rate and a 2-year maturity; there are no payments for the first 6 months.

- **Who can apply?** Businesses, nonprofits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees.
- **When can I apply?** The Paycheck Protection Program resumed on **Monday, April 27, 2020**. Applications must be submitted by June 30, 2020.
- **How do I apply?** You can apply for the Paycheck Protection Program through any existing SBA 7(a) lender or through any participating federally-insured depository institution, federally insured credit union, or Farm Credit institution. Ask your local lender if it is participating in the program.
- **What else should I know?** **The SBA will forgive loans if all employees are kept on the payroll for 8 weeks and the money is used for payroll, rent, mortgage interest, or utilities.** The program will be available retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.
- **Read more here:** [sba.gov/funding-programs/loans/paycheck-protection-program-ppp](https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp)

Massachusetts Growth Capital Paycheck Protection Program Support

Massachusetts Growth Capital Corporation (MGCC) in partnership with Massachusetts Association of Community Development Corporation (MACDC) announced support for all Massachusetts small businesses owners, including those with limited English proficiency, by providing [multilingual translation and application assistance](#) for the Small Business Administration's (SBA) Paycheck Protection Program (PPP).

- All small businesses in Massachusetts are strongly encouraged to use these resources when applying to the second round of PPP at their local, participating bank once available.

<https://www.empoweringsmallbusiness.org/resources/covid-19-small-business-resources>

Languages include: Spanish, Portuguese, Mandarin, Cantonese, French, French



DEPARTMENT OF
CAREER SERVICES

Vietnamese, Greek, Arabic, Cambodian, Somali, Amharic
Korean, Japanese and Thai

RapidResponse | 24

SBA Debt Relief

The SBA is also offering **Debt Relief** to small businesses. Under this relief, the SBA will pay the principal and interest for 6 months beginning March 27, 2020 for qualifying new and current holders of 7(a) loans.

- **Who can apply?** Businesses who already have a covered 7(a) SBA loan or receive a 7(a) SBA loan prior to September 27, 2020.
- **When can I apply?** This relief is applied for covered loans beginning with payments due after March 27, 2020.
- **How do I apply?** Reach out to your SBA lender to discuss how this debt relief applies to your SBA loan.
- **What else should I know?** This debt relief is available only to 7(a) loans and not to loans made under the Paycheck Protection Program, 504 loans, or micro-loans.
- **Read more here:** [sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-4](https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-4)

Main Street Lending Program Federal Reserve

The Federal Reserve designed Main Street to support small and medium sized businesses that were unable to access the PPP or that require additional financial support after receiving a PPP loan. Main Street loans are not forgivable.

The Federal Reserve Board on Thursday, April 30, 2020, announced it is expanding the scope and eligibility for the Main Street Lending Program. As part of its broad effort to support the economy, the Federal Reserve developed the Main Street Lending Program to help credit flow to small and medium-sized businesses that were in sound financial condition before the pandemic.

<https://www.federalreserve.gov/>



DEPARTMENT OF
CAREER SERVICES

RapidResponse | 26

Administrative Tax Relief Measures

Massachusetts Administrative Tax Relief Measures for small local businesses that have been impacted by the ongoing COVID-19 outbreak, especially in the restaurant and hospitality sectors.

- This tax relief includes **postponing the collection of regular sales tax, meals tax, and room occupancy taxes** that would be due in March, April, and May so that they will instead be due on June 20.
- Additionally, all **penalties and interest** that would otherwise apply will be waived.
- Businesses that paid less than \$150,000 in regular sales plus meals taxes in the year ending February 29, 2020 will be eligible for relief for sales and meals taxes.
- Businesses that paid less than \$150,000 in room occupancy taxes in the year ending February 29, 2020 will be eligible for relief with respect to room occupancy taxes.

Additional Emergency Resources

Additional Emergency Resources

Massachusetts Emergency Management Agency(MEMA) ensures the state is prepared to withstand, respond to, and recover from all types of emergencies and disasters.

MEMA's Emergency Operations Center's Private Sector Hotline

- The hotline will be staffed *Monday – Friday* from *8am to 4pm*
- The number for the hotline is (508) 820-2094
- mass.gov/orgs/massachusetts-emergency-management-agency

The **U.S. Chamber** also has resources available to inform and equip businesses with the most important and up-to-date information to prevent the spread of the virus and prepare businesses for the near and long-term impact. uschamber.com/

MassMEP

All of the state **Manufacturing Extension Partnerships**, including the one in Massachusetts, have formed a national network to offer supply chain solutions to the manufacturers disrupted by the efforts to stem the spread of Coronavirus.

- The network, launched in March, enables MEPs in any state to put out a call on behalf of one of its manufacturers to find creative solutions to issues like supply shortages.
- MEPs are public-private partnerships in all 50 states funded, in part, by the U.S. government to provide advocacy and services like education and training to individual companies.

MassMEP

Phone: (508) 831-7020

<https://massmep.org/>

Manufacturing Emergency Response Team(M-ERT)

The M-ERT's Mission:

To mobilize, organize, and operationalize critical-path work streams necessary for Massachusetts manufacturers to pivot their operations to produce needed materials in response to the COVID-19 pandemic.

If your organization is interested in joining the effort, please fill out the form located at <https://masstech.org/M-ERT> and an M-ERT member will reach out.

- If your organization is **NOT** located in Massachusetts, we invite you to fill out this form as well. This information will be critical for coordinating parallel efforts of other state and federal initiatives.
- Only one response per organization should be submitted. Please coordinate a central contact for organizing your company's response.
- Organizational contacts should be available to coordinate the deployment of production assets, testing assets, and/or represent the entity. If the person completing the form is not this person, there is space provided for additional contact information.

*Disclaimer

- ▶ Information in this presentation is changing rapidly and we are updating it regularly.
- ▶ Many programs and services are changing quickly depending on funding availability so be sure to contact the individual resource for up-to-the-minute information.
- ▶ Check back to our Rapid Response or BizWorks pages at www.Mass.Gov for updated information periodically.

Appendix

Massachusetts Small Business Development Centers

Massachusetts Small Business Development Center advisors can assist businesses with disaster loan applications.

If you are not currently a client and would like to speak with a counselor, please reach out to the regional office nearest to you:

Procurement Technical Assistance Center
Scibelli Enterprise Center
1 Federal Street, Building 1
Springfield, MA 01105
(413) 545-6303 | Fax: (413) 737-2312
massptac.org

Massachusetts Small Business Development Centers

Berkshire Regional Office

33 Dunham Mall, Suite 103
Pittsfield, MA 01201
(413) 499-0933 | Fax: (413) 499-3005
msbdc.org/berkshire

Central Regional Office

Clark University
The Carriage House, 125 Woodland Street
Worcester, MA 01610
(508) 793-7615 | Fax: (508) 793-8890
clarku.edu/offices/sbdc

Northeast Regional Office

Salem State University
121 Loring Avenue, Suite 310
Salem, MA 01970
(978) 542-6343 | Fax: (978) 542-6345
salemstate.edu/sbdc

Southeast Regional Office

200 Pocasset Street
Fall River, MA 02721
(508) 673-9783 | Fax: (508) 674-1929
msbdc.org/semass

Western Regional Office

Scibelli Enterprise Center
One Federal Street, Building 101
Springfield, MA 01105-1160
(413) 577-1768 | Fax: (413) 737-2312
msbdc.org/wmass

SBA FAQ's

◆ If I am applying or already received an Economic Injury Disaster Loan, is my small business eligible to participate in the Paycheck Protection Program(PPP)?

- Borrowers can apply for **BOTH** an Economic Injury Disaster Loan and the Paycheck Protection Program loan.

However, the Paycheck Protection Program loan funds and the Economic Injury Disaster Loan funds cannot be used for the same purpose.

- The Paycheck Protection Program loan must be used for payroll (minimum of 75% of the funds received) for it to be eligible for a forgivable loan and the remaining 25% can be used for different purposes (mortgage interest, rent, utilities, other services).
- Borrowers who accept both loan funds should document the uses of the funds appropriately.

SBA FAQ's

- ◆ If your Economic Injury Disaster Loan was used for payroll costs, your Paycheck Protection Program (PPP) loan must be used to refinance your Economic Injury Disaster Loan.
- ◆ Any advance up to \$10,000 on the Economic Injury Disaster Loan will be deducted from the loan forgiveness amount of the Paycheck Protection Program loan.
 - For example, a borrower may obtain a loan from the Paycheck Protection Program and use those funds to pay for 8 weeks of payroll or employee retention. They may wish to then dedicate their entire EIDL funds towards working capital, notes payable and accounts payable that do not duplicate the funds provided through the Paycheck Protection Program. If the EIDL loan was used for payroll expenses, the borrower must refinance the EIDL loan with the PPP loan which carries a lower interest rate as well as a shorter maturity period.
- ◆ If you are applying for both, you can accept PPP first – then decide whether or not to close on your EIDL approved loan.

SBA FAQ's

- ◆ The application period for PPP loans runs through June 30, 2020, but the EIDL application period runs through December 2020.
- ◆ If you did not apply through the streamlined process, SBA requests that you visit <https://covid19relief.sba.gov/#/> and reapply with the secure streamlined process. You will not lose your place in queue with your original EIDL loan application.
- ◆ EIDL loans will not require a personal guarantee for loans under \$200,000.
- ◆ EIDL loans will not require real estate collateral for loans under \$500,000. SBA will be looking at the best available lien priority on all business assets.

Families First Coronavirus Relief Act (FFCRA)

◆ Which employers are covered by the FFCRA?

- The FFCRA covers certain public employers and all private employers with fewer than 500 employees.
- For purposes of this count, employers must include all full-time and part-time employees in the U.S. (or any U.S. territory or possession), including any employees who are on leave, as well as temporary employees and day laborers supplied by an agency (with limited exceptions).
- Independent contractors need not be counted, but employers who may be a joint employer with another business or are owned even in part by another entity should consider consulting an employment attorney for additional guidance.

Families First Coronavirus Relief Act (FFCRA)

◆ Are any employers exempt from the FFCRA?

- Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide sick time or FMLA leave due to school closings or the unavailability of childcare if doing so would “jeopardize the viability of the business as a going concern.” Regulations outlining this exemption are expected to be published by the Department of Labor in April.

◆ When does this go into effect, will this leave be available forever, and do we need to notify employees?

- The law is effective April 1, 2020, and expires on December 31, 2020. And, yes, employers are required to post a notice in the workplace on the FFCRA requirements in a conspicuous place.

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

Families First Coronavirus Relief Act (FFCRA)

◆ How are we going to pay for this?

- Important question! Qualified employers that pay sick leave will receive a dollar-for-dollar reimbursement through tax credits for all qualifying wages paid under the FFCRA, up to the appropriate daily and aggregate payment caps.

Here's how the IRS explained it will work:

- If an eligible employer paid \$5,000 in sick leave and is otherwise required to deposit \$8,000 in payroll taxes, including taxes withheld from all its employees, the employer could use up to \$5,000 of the \$8,000 in taxes it was going to deposit for making qualified leave payments. The employer would only be required under the law to deposit the remaining \$3,000 on its next regular deposit date.
- If an eligible employer paid \$10,000 in sick leave and was required to deposit \$8,000 in taxes, the employer could use the entire \$8,000 of taxes in order to make qualified leave payments and file a request for an accelerated credit for the remaining \$2,000.

Families First Coronavirus Relief Act (FFCRA)

What new rights does the FFCRA provide to employees?

- The FFCRA requires covered employers to provide the following to all employees:
- Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay if the employee is unable to work or telework because the employee (1) has been quarantined (either by government order or on the advice of a healthcare provider) and/or (2) is experiencing COVID-19 symptoms and seeking a medical diagnosis. Employees will be paid their full wages, up to a maximum of \$511 per day (\$5,110 total) for these sick-leave reasons; and
- Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee's regular rate of pay if the employee is unable to work or telework because the employee (1) must care for someone who has been quarantined (again, either by government order or on the advice of a healthcare provider), (2) must care for a minor child whose school or childcare provider is closed or unavailable due to the virus, and/or (3) is experiencing a "substantially similar condition," which has yet to be defined but will be the subject of regulations to be issued by the Department of Health and Human Services. Employees will be paid two-thirds of their wages up to a maximum of \$200 per day (\$2,000 total) for these sick-leave reasons.
- Employees who have been employed by a covered employer for at least 30 days may also take an additional 10 weeks of paid leave at two-thirds their wages to continue to provide care for a minor child whose school or childcare provider remains closed or unavailable due to the virus. This also caps out at \$200 per day.